

Company Registration Number: 3977439

CONCEPT OUTDOOR WORLDWIDE LIMITED

**Consolidated Financial Statements
for the year ended 30 June 2002**



CONCEPT OUTDOOR WORLDWIDE LIMITED
DIRECTORS' REPORT
For the year ended 30 June 2002

The directors present their report and the audited consolidated financial statements of the group for the year ended 30 June 2002.

Principal activities

The principal activity of the company is that of an investment holding company. The principal activities of the subsidiary undertakings are disclosed in note 10.

Review of the business and future developments

The directors expect the group to continue in operation as an outdoor advertising company.

The profit and loss account for the year is set out on page 4.

Dividends

The directors do not recommend payment of a dividend.

Directors and their interests

The directors of the company at 30 June 2002, all of whom have been directors for the whole of the year ended on that date unless indicated otherwise, are listed below:

MC Johnson

R Silvester

SM Halden

CJ Hoddell (appointed 30 November 2001)

RG Sloss (appointed 11 March 2002, resigned 16 September 2002)

SA Holder is Company Secretary.

At 30 June 2001 and 30 June 2002, MC Johnson was the beneficial holder of 92 A Ordinary Shares, 308 B Ordinary Shares and 16,744 Preference Shares in the company. Details of MC Johnson's interests in fellow subsidiaries of the ultimate parent company, Pacific Investments PLC, are disclosed in the financial statements of that company.

At 30 June 2001 and 30 June 2002, SM Halden was the beneficial holder of 300 A Ordinary Shares, 612 B Ordinary Shares and 54,600 Preference Shares in the company. Details of SM Halden's interests in Sporting Frontiers Limited, Model Frontiers Limited, which are fellow subsidiaries of Pacific Investments PLC, are disclosed in the financial statements of those companies.

At 30 June 2001 and 30 June 2002, R Silvester was the holder of 40 B Ordinary Shares in the company. Details of R Silvester's interests in Sporting Frontiers Limited and Model Frontiers Limited, which are fellow subsidiaries of Pacific Investments PLC, are disclosed in the financial statements of those companies.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the company and of the group, and of the profit or loss of the company and of the group for that period. The directors are required to prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the group will continue in business.

CONCEPT OUTDOOR WORLDWIDE LIMITED
DIRECTORS' REPORT
For the year ended 30 June 2002 (continued)

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the consolidated financial statements for the year ended 30 June 2002 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the consolidated financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Change in share capital

Details of changes in share capital are given in note 15 to the financial statements.

Auditors

Following the conversion of our auditors, PricewaterhouseCoopers, to a Limited Liability Partnership (LLP) from 1 January 2003, PricewaterhouseCoopers resigned on 13 February 2003 and the directors appointed its successor, PricewaterhouseCoopers LLP, as auditors. A resolution to reappoint PricewaterhouseCoopers LLP as auditors of the company will be proposed at the next Annual General Meeting.

By Order of the Board



SA Holder
Secretary

124 Sloane Street
London SW1X 9BW

**Independent auditors' report to the members of
Concept Outdoor Worldwide Limited**

We have audited the financial statements, which comprise the consolidated profit and loss account, the consolidated balance sheet, the company balance sheet, the consolidated cash flow statement and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards issued by the Auditing Practices Board. This report, including the opinion has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or in to whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 30 June 2002 and of the loss and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP

Chartered Accountants and Registered Auditors

London

25 April 2003

Concept Outdoor Worldwide Limited

**Consolidated Profit and Loss Account
for the year ended 30 June 2002**

	Note	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
Turnover	1	587,910	178,862
Cost of sales		<u>(526,219)</u>	<u>(141,601)</u>
Gross profit		61,691	37,261
Administrative expenses		<u>(494,900)</u>	<u>(183,479)</u>
Operating loss	2	(433,209)	(146,218)
Interest receivable	4	3,016	-
Interest payable and similar charges	5	(52,644)	(59,925)
Loss on ordinary activities before taxation		<u>(482,837)</u>	<u>(206,143)</u>
Taxation	6	-	-
Loss on ordinary activities after taxation		<u>(482,837)</u>	<u>(206,143)</u>
Dividends and appropriations	7	(109,499)	-
Retained loss for the period	8, 17	<u><u>(592,336)</u></u>	<u><u>(206,143)</u></u>

There is no difference between the loss on ordinary activities after taxation and the retained loss stated above and their historical cost equivalents.

The operating loss derives wholly from continuing operations.

There are no recognised gains or losses other than the loss for the period as shown above.

The notes on pages 8 to 21 form an integral part of these financial statements.

Concept Outdoor Worldwide Limited

Consolidated Balance Sheet
as at 30 June 2002

	Note	2002 £	2001 £
FIXED ASSETS			
Intangible assets	9	265,438	401,750
Tangible assets	11	<u>388,949</u>	<u>178,823</u>
		<u>654,387</u>	<u>580,573</u>
CURRENT ASSETS			
Debtors	12	235,096	234,428
Cash at bank and in hand		<u>145,623</u>	<u>4,970</u>
		<u>380,719</u>	<u>239,398</u>
CREDITORS (amounts falling due within one year)	13	(286,434)	(208,631)
NET CURRENT ASSETS		<u>94,285</u>	<u>30,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		748,672	611,340
CREDITORS (amounts falling due after more than one year)	14	(887,652)	(267,483)
NET (LIABILITIES) / ASSETS		<u>(138,980)</u>	<u>343,857</u>
CAPITAL AND RESERVES			
Called up share capital	15	2,554	2,099
Share premium	16	547,446	547,901
Profit and loss account	17	(688,980)	(206,143)
CAPITAL EMPLOYED	18	<u>(138,980)</u>	<u>343,857</u>
Equity shareholders' deficit		(795,479)	(203,143)
Non-equity shareholders' funds		656,499	547,000
TOTAL SHAREHOLDERS' (DEFICIT) / FUNDS		<u>(138,980)</u>	<u>343,857</u>

The accounts were approved by the Board of Directors on 25 April 2003
and signed on their behalf by

M C Johnson
Director

The notes on pages 8 to 21 form an integral part of these financial statements.

Concept Outdoor Worldwide Limited

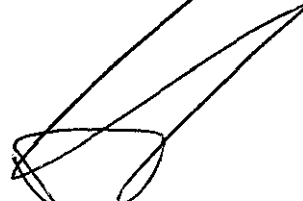
**Company Balance Sheet
as at 30 June 2002**

	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	11	2,994	-
Investments	10	<u>1,371,143</u>	<u>696,342</u>
		<u>1,374,137</u>	<u>696,342</u>
CURRENT ASSETS			
Debtors	12	73,419	4,000
Cash at bank and in hand		<u>15,732</u>	<u>-</u>
		89,151	4,000
CREDITORS (amounts falling due within one year)	13	(33,426)	(10,875)
NET CURRENT ASSETS / (LIABILITIES)		<u>55,725</u>	<u>(6,875)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,429,862	689,467
CREDITORS (amounts falling due after more than one year)	14	(887,652)	(142,483)
NET ASSETS		<u>542,210</u>	<u>546,984</u>
CAPITAL AND RESERVES			
Called up share capital	15	2,554	2,099
Share premium	16	547,446	547,901
Profit and loss account	17	(7,790)	(3,016)
CAPITAL EMPLOYED	18	<u>542,210</u>	<u>546,984</u>
Equity shareholders' deficit		(114,289)	(16)
Non-equity shareholders' funds		656,499	547,000
TOTAL SHAREHOLDERS' FUNDS		<u>542,210</u>	<u>546,984</u>

The accounts were approved by the Board of Directors on
and signed on their behalf by

M C Johnson
Director

The notes on pages 8 to 21 form an integral part of these financial statements.



Concept Outdoor Worldwide Limited

**Consolidated Cash Flow Statement
for the year ended 30 June 2002**

	Note	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
NET CASH FLOW FROM OPERATING ACTIVITIES	20	<u>(288,384)</u>	<u>(242,021)</u>
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received		<u>3,016</u>	<u>-</u>
TAXATION		-	-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments to acquire intangible assets		-	(192,347)
Payments to acquire fixed assets		<u>(266,904)</u>	<u>(171,015)</u>
		<u>(266,904)</u>	<u>(363,362)</u>
ACQUISITIONS			
Purchase of subsidiary undertaking		-	(96,500)
Net cash acquired with subsidiary undertaking		<u>-</u>	<u>18,370</u>
		<u>-</u>	<u>(78,130)</u>
NET CASH OUTFLOW BEFORE FINANCING		<u>(552,272)</u>	<u>(683,513)</u>
FINANCING			
Issue of preference share capital		-	546,000
Issue of share capital		400	-
New unsecured loans	21	<u>692,525</u>	<u>142,483</u>
		<u>692,925</u>	<u>688,483</u>
INCREASE IN CASH IN THE PERIOD		<u><u>140,653</u></u>	<u><u>4,970</u></u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
INCREASE IN CASH IN THE PERIOD		140,653	4,970
Increase in borrowings		<u>(745,169)</u>	<u>(142,483)</u>
		<u>(604,516)</u>	<u>(137,513)</u>
Net debt at 1 July 2001 / 20 April 2000		(137,513)	-
NET DEBT AT 30 JUNE 2002 / 30 JUNE 2001	21	<u><u>(742,029)</u></u>	<u><u>(137,513)</u></u>

Notes to the Accounts
for the year ended 30 June 2002

1 Principal accounting policies

These financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of more important accounting policies, which have been applied consistently, other than as detailed below, follows:

Basis of preparation - These financial statements have been prepared under the historical cost convention and on a going concern basis.

Going concern - The directors consider the losses incurred to date to be attributable to the costs associated with establishing the business in the period since incorporation. The financial statements have been prepared on a going concern basis which assumes the continued support of the ultimate parent company, Pacific Investments PLC. The directors have received a letter from the ultimate parent company confirming their support for a period of at least one year from the date of approval of the financial statements.

Basis of consolidation - The group financial statements consolidate the financial statements of the company and its subsidiary undertakings using the acquisition method. Businesses acquired during the period are consolidated from the date of acquisition.

Turnover - Turnover represents the net amount receivable, excluding value added tax, of goods and services provided in respect of outdoor advertising. Revenue is recognised over the period of the underlying contract with the advertising customer. Turnover relates to the one principal activity of the company and is derived wholly within the United Kingdom.

Tangible fixed assets - Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Depreciation - Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Billboards	3 - 5 years
Fixtures and fittings	5 years
Office equipment	3 - 5 years

Operating leases - Operating lease rentals are charged to the profit and loss account in the period to which they relate.

Intangible assets - Goodwill represents the excess of the fair value of the consideration paid over the identifiable net assets acquired. Goodwill is capitalised and amortised in equal instalments over its estimated useful economic life of 20 years. The carrying value of goodwill is assessed annually and any impairment in value is charged to the profit and loss account.

Concept Outdoor Worldwide Limited

Notes to the Accounts (continued) for the period ended 30 June 2002

1 Principal accounting policies (continued)

Deferred taxation - The company has adopted Financial Reporting Standard 19 'Deferred Taxation' in these financial statements. Deferred taxation arises as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. The deferred tax liability that is the result of timing differences is recognised in full. Deferred tax assets are only recognised to the extent that, on the basis of all available evidence, they are recoverable. Deferred tax assets and liabilities recognised are not discounted. No material adjustments were required to the financial statements on adoption of this standard.

2 Operating loss

The operating loss of the group is stated after charging:

	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
Auditors' remuneration for audit services (group)	7,000	6,000
Auditors' remuneration for audit services (company)	2,000	1,000
Depreciation of owned assets (group)	56,778	14,691
Depreciation of owned assets (company)	142	-
Amortisation of intangible assets	11,312	11,111
Operating lease rentals - equipment	<u>379,464</u>	<u>119,375</u>

3 Staff costs

	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
Wages and salaries	247,186	80,327
Social security costs	26,560	8,482
	<u>273,746</u>	<u>88,809</u>

The average monthly number of employees for the group during the year was 6 in an administrative capacity. (2001: 2).

Directors' emoluments, included within the staff costs above:

	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
Aggregate emoluments	<u>30,769</u>	<u>-</u>

Concept Outdoor Worldwide Limited

Notes to the Accounts (continued)
for the period ended 30 June 2002

4 Interest receivable

	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
Bank deposit interest	2,910	-
Other interest receivable	106	-
	<u>3,016</u>	<u>-</u>

5 Interest payable and similar charges

	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
Group interest payable	45,003	52,906
Interest on loans from other shareholders	7,641	7,019
	<u>52,644</u>	<u>59,925</u>

6 Taxation

	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
Corporation tax	-	-
	<u>-</u>	<u>-</u>

6.1 Reconciliation of tax charge

	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
Loss on ordinary activities before taxation	(482,837)	(206,143)
Tax on loss on ordinary activities before taxation at 30%	(144,851)	(61,843)
Expenses disallowed for tax purposes	6,548	4,417
Capital allowances in excess of depreciation	(14,224)	(7,931)
Pre acquisition tax charge relating to subsidiary	-	(5,109)
Trading losses carried forward	152,527	70,466
	<u>-</u>	<u>-</u>

Concept Outdoor Worldwide Limited

Notes to the Accounts (continued) for the period ended 30 June 2002

6.2 Deferred tax asset

	Year ended 30 June 2002 £	Period from 20 April 2000 to 30 June 2001 £
	Unrecognised	Unrecognised
Tax effect of timing differences due to losses carried forward	(222,993)	(70,466)
Tax effect of accelerated capital allowances	22,155	7,931
	<u>(200,838)</u>	<u>(62,535)</u>

7 Dividends and appropriations

Appropriations in respect of preference shares are reflected in the profit and loss account on a time basis in accordance with FRS 4 and have been credited back to the profit and loss reserve due to a lack of distributable reserves.

8 Company profit and loss account

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the company is not presented as part of these financial statements. The loss after taxation attributable to Concept Outdoor Worldwide Limited was £4,774 (2001: £3,016).

9 Intangible fixed assets

	Group £
Goodwill	
Cost	
At 30 June 2001	412,861
Reduction in balance	(125,000)
At 30 June 2002	<u>287,861</u>
Amortisation	
At 30 June 2001	11,111
Amortisation charge for the year	14,437
Released in the year	(3,125)
At 30 June 2002	<u>22,423</u>
Net book value at 30 June 2001	<u>401,750</u>
Net book value at 30 June 2002	<u>265,438</u>

Concept Outdoor Worldwide Limited

Notes to the Accounts (continued) for the period ended 30 June 2002

9 Intangible fixed assets (continued)

On 1 December 2000, one of the company's subsidiary undertakings, Concept Outdoor (UK) Limited, acquired certain assets of Sports & Outdoor Media Limited, together with certain of its business interests. This has resulted in goodwill of £192,347 which is being amortised over 20 years.

In addition to the above, on 4 December 2001, Concept Outdoor (UK) Limited acquired the entire share capital of Concept Outdoor Limited, a company registered in England and Wales. This has resulted in goodwill of £96,400. As part of this transaction, Concept Outdoor (UK) Limited recognised deferred consideration of £125,000 (see note 14). The conditions upon which this further deferred consideration would have become payable have not been met and the amount has been released in full in the year, with a corresponding reduction in goodwill recognised. Associated amortisation of £3,125 has also been released to the profit and loss account in the year.

10 Investment in subsidiaries

	Shares £	Loans £	Total £
Cost of investment in subsidiary undertakings			
At 30 June 2001	546,750	149,592	696,342
Additions / movement in the year	850	673,951	674,801
At 30 June 2002	<u>547,600</u>	<u>823,543</u>	<u>1,371,143</u>

The company has two subsidiaries, details of which are as follows:

Name of undertaking	% owned	% voting rights	Holding	Nature of business	Place of Incorporation
Concept Outdoor (UK) Limited	75%	100%	Ordinary & Preference	Outdoor Advertising	England & Wales
Concept Solution Limited	85%	100%	Ordinary	Outdoor Advertising	England & Wales

Concept Outdoor (UK) Limited has one subsidiary, details of which are as follows:

Name of undertaking	% owned	% voting rights	Holding	Nature of business	Place of Incorporation
Concept Outdoor Limited	100%	100%	Ordinary Shares	Non-trading	England & Wales

Concept Outdoor Worldwide Limited

Notes to the Accounts (continued) for the period ended 30 June 2002

11 Tangible fixed assets

The fixed assets of the group are analysed as follows:

	Billboards £	Fixtures and Fittings £	Office Equipment £	Total £
Cost				
At 30 June 2001	190,240	2,280	994	193,514
Additions	255,045	2,440	9,419	266,904
At 30 June 2002	<u>445,285</u>	<u>4,720</u>	<u>10,413</u>	<u>460,418</u>
Accumulated depreciation				
At 30 June 2001	14,680	-	11	14,691
Charge for the year	55,034	730	1,014	56,778
At 30 June 2002	<u>69,714</u>	<u>730</u>	<u>1,025</u>	<u>71,469</u>
Net book value at 30 June 2001	<u>175,560</u>	<u>2,280</u>	<u>983</u>	<u>178,823</u>
Net book value at 30 June 2002	<u>375,571</u>	<u>3,990</u>	<u>9,388</u>	<u>388,949</u>

The tangible assets of the company are analysed as follows:

	Office Equipment £
Cost	
At 30 June 2001	-
Additions	3,136
At 30 June 2002	<u>3,136</u>
Accumulated depreciation	
At 30 June 2001	-
Charge for the year	142
At 30 June 2002	<u>142</u>
Net book value at 30 June 2001	<u>-</u>
Net book value at 30 June 2002	<u>2,994</u>

Concept Outdoor Worldwide Limited

**Notes to the Accounts (continued)
for the period ended 30 June 2002**

12 Debtors

	Group 2002 £	Group 2001 £
Trade debtors	196,934	97,363
Amounts owed by immediate parent undertaking	-	89,538
Other debtors	-	1,718
Prepayments and accrued income	38,162	45,809
	<u>235,096</u>	<u>234,428</u>
	Company 2002 £	Company 2001 £
Trade debtors	3,519	-
Amounts owed by immediate parent undertaking	-	2,608
Amounts owed by subsidiary undertakings	68,001	-
Other debtors	-	1,392
Other taxation and social security	1,899	-
	<u>73,419</u>	<u>4,000</u>

13 Creditors (amounts falling due within one year)

	Group 2002 £	Group 2001 £
Trade creditors	112,002	57,557
Amounts due to ultimate parent undertaking	74,339	82,129
Other taxation and social security	7,984	13,934
Accruals and deferred income	91,709	55,011
Other creditors	400	-
	<u>286,434</u>	<u>208,631</u>

Concept Outdoor Worldwide Limited

**Notes to the Accounts (continued)
for the period ended 30 June 2002**

13 Creditors (amounts falling due within one year) (continued)

	Company 2002 £	Company 2001 £
Trade creditors	1,116	-
Amounts due to ultimate parent undertaking	29,352	15
Amounts due to subsidiary undertaking	-	8,624
Accruals and deferred income	2,958	2,236
	<u>33,426</u>	<u>10,875</u>

14 Creditors (amounts falling due after more than one year)

	Group 2002 £	Group 2001 £
Amounts owed to immediate parent undertaking	781,338	132,246
Other creditors	106,314	10,237
Deferred consideration	-	125,000
	<u>887,652</u>	<u>267,483</u>

The deferred consideration was to be payable to the vendors of Concept Outdoor Limited and was contingent upon the achievement of financial results as defined in the sale and purchase agreement. These targets were not met and the amount has been released in full in the year with a corresponding reduction in goodwill (see note 9).

	Company 2002 £	Company 2001 £
Amounts owed to immediate parent undertaking	781,338	132,246
Other creditors	106,314	10,237
	<u>887,652</u>	<u>142,483</u>

Amounts owed to immediate parent undertaking are unsecured and bear interest at a rate of 20% per annum. There are no fixed terms of repayment and the immediate parent undertaking has confirmed that they will not demand repayment within the next 12 months.

Concept Outdoor Worldwide Limited

Notes to the Accounts (continued) for the period ended 30 June 2002

15 Share capital

At 30 June 2001, the authorised and issued share capital of the company comprised:

	Authorised		Issued	
	Number	£	Number	£
£1 A Ordinary Shares	3,000	3,000	392	392
£1 B Ordinary Shares	1,000	1,000	1,000	1,000
£0.25 A Special Ordinary Shares	3,000	750	2,608	652
0.01p Preference Shares	1,000,000	100	546,000	55
£1 Deferred Shares	1,000	1,000	-	-
	<u>1,008,000</u>	<u>5,850</u>	<u>550,000</u>	<u>2,099</u>

At 30 June 2002, the authorised and issued share capital of the company comprised:

	Authorised		Issued	
	Number	£	Number	£
£1 A Ordinary Shares	3,000	3,000	692	692
£1 B Ordinary Shares	1,000	1,000	1,000	1,000
£0.35 A Special Ordinary Shares	3,165	1,108	2,308	807
0.01p Preference Shares	1,000,000	100	546,000	55
£1 Deferred Shares	1,000	1,000	-	-
	<u>1,008,165</u>	<u>6,208</u>	<u>550,000</u>	<u>2,554</u>

All classes of shares, together with related share premium, are fully paid up.

On 30 November 2001, the company increased its authorised share capital to £5,977 by the creation of 508 A Special Ordinary Shares of £0.25 each.

On the same date, by way of a rights issue, the company issued 900 new £0.25 A Special Ordinary Shares, the nominal value of those shares being capitalised against the share premium account.

On the same date, subsequent to the rights issue detailed above, 1,200 issued £0.25 A Special Ordinary Shares were consolidated into 300 £1 A Ordinary Shares.

On 4 March 2002, the company subdivided all issued and unissued £0.25 A Special Ordinary Shares into 25 £0.01 A Special Ordinary Shares.

On the same date, the company increased its authorised share capital to £6,207.80 by the creation of 23,080 £0.01 A Special Ordinary Shares.

On the same date, the company issued 23,080 £0.01 A Special Ordinary Shares, the nominal value of those shares being capitalised against the share premium account.

On the same date, the company consolidated all issued and unissued £0.01 A Special Ordinary Shares into 3,165 £0.35 A Special Ordinary Shares.

**Notes to the Accounts (continued)
for the period ended 30 June 2002**

15 Share capital (continued)

Rights regarding income

The A Ordinary Shares and the A Special Ordinary Shares rank pari passu for any dividend or other distribution by the company. The B Ordinary Shares do not carry any right to dividend unless or until the occurrence of a listing, a take-over or a liquidation or a winding up of the company. Following either of these events the B Ordinary Shares, A Ordinary Shares and the A Special Ordinary Shares (together the "Ordinary Shares") rank pari passu for any dividend or other distribution by the company. The Deferred Shares do not carry any right to dividend or other distribution by the company.

The Preference Shares carry the right to a fixed cumulative preferential dividend of 20% on the amount paid up or credited as paid up on each Preference Share (including as to any premium). This dividend ranks for payment in priority to the payment of a dividend on any other shares of the company.

Rights regarding capital

On a return of assets on liquidation, reduction of capital or otherwise, the surplus capital of the company is returned as follows, and in the following order:

- 1 To the Preference Shareholders an amount equal to the capital paid up on the Preference Shares together with any arrears of or deficiency of the fixed cumulative dividend on such shares;
- 2 To the Ordinary Shareholders a sum equal to any premium paid on such Ordinary Shares;
- 3 To the Ordinary Shareholders a sum equal to the nominal value of such shares (to the extent paid up);
- 4 To the A Ordinary Shareholders and the A Special Ordinary Shareholders so as to give them an IRR of not less than 20% on their investment in the company;
- 5 To the Deferred Shareholders a sum equal to the nominal value of such shares (to the extent paid up); and
- 6 The balance of such assets (if any) shall belong to and be distributed amongst the Ordinary Shareholders pari passu.

Rights regarding voting

The A Ordinary Shareholders and the A Special Ordinary Shareholders have the right to receive notice of and to attend, speak and vote at all general meetings of the company. The B Ordinary Shareholders have the right to receive notice of and to attend and speak at all general meetings of the company but not to vote unless or until the occurrence of a listing, a take-over or a liquidation or a winding up of the company. The Deferred Shareholders and Preference Shareholders do not have the right to receive notice of or to attend or vote at any general meeting of the company at any time.

Conversion of B Shares

In certain circumstances which relate either to the occurrence of a listing, a take-over, a liquidation or a winding up of the company or to the cessation of employment of a B Ordinary Shareholder who is an employee or director of the company, the B Ordinary Shares may be converted into Deferred Shares. The circumstances in which this conversion may arise are set out in full in the Articles of Association of the company.

Concept Outdoor Worldwide Limited

**Notes to the Accounts (continued)
for the period ended 30 June 2002**

16 Share premium account

	2002 £	2001 £
Share premium arising on A Special Ordinary Shares of £0.25	-	1,955
Share premium arising on A Special Ordinary Shares of £0.35	1,500	-
Share premium arising on Preference Shares of 0.01p	545,946	545,946
	<u>547,446</u>	<u>547,901</u>

17 Profit and loss account

	Group 30 June 2002 £	Group 30 June 2001 £
Balance at 1 July 2001 / 20 April 2000	(206,143)	-
Loss for the year	(482,837)	(206,143)
Appropriations in respect of preference shares	(109,499)	-
Preference share appropriation not payable by reference to available distributable reserves at 30 June 2002	109,499	-
Balance at 30 June 2002 / 30 June 2001	<u>(688,980)</u>	<u>(206,143)</u>
	Company 30 June 2002 £	Company 30 June 2001 £
Balance at 1 July 2001 / 20 April 2000	(3,016)	-
Loss for the year	(4,774)	(3,016)
Appropriations in respect of preference shares	(109,499)	-
Preference share appropriation not payable by reference to available distributable reserves at 30 June 2002	109,499	-
Balance at 30 June 2002 / 30 June 2001	<u>(7,790)</u>	<u>(3,016)</u>

Concept Outdoor Worldwide Limited

Notes to the Accounts (continued) for the period ended 30 June 2002

18 Reconciliation of movement in shareholders' funds

	Group £	Company £
Shareholders' funds at 30 June 2001	343,857	546,984
Ordinary share capital subscribed	455	455
Capitalisation of share premium account	(455)	(455)
Loss on ordinary activities after taxation	(482,837)	(4,774)
Appropriations in respect of preference shares	(109,499)	(109,499)
Preference dividend not payable by reference to available distributable reserves	109,499	109,499
Shareholders' (deficit) / funds at 30 June 2002	<u>(138,980)</u>	<u>542,210</u>

19 Operating lease commitments

At 30 June 2002 and 30 June 2001, the group had annual commitments under non-cancellable operating leases expiring as follows:

	2002 £	2001 £
In less than one year	45,150	24,250
In two to five years	321,400	147,150
In more than five years	155,200	134,150
	<u>521,750</u>	<u>305,550</u>

20 Reconciliation of operating loss to net cash outflow from operating activities

	2002 £	2001 £
Operating loss	(433,209)	(146,218)
Depreciation charges	56,778	14,691
Amortisation charges (net of reversal of prior year charge of £3,125)	11,312	11,111
Increase in debtors	(668)	(147,424)
Increase in creditors	77,403	25,819
Net cash outflow from operating activities	<u>(288,384)</u>	<u>(242,021)</u>

Concept Outdoor Worldwide Limited

**Notes to the Accounts (continued)
for the period ended 30 June 2002**

21 Analysis of net debt

	At 30 June 2001	Cash flow	Other non cash changes	At 30 June 2002
	£	£	£	£
Cash at bank and in hand	4,970	140,653	-	145,623
Debt due after one year	(142,483)	(692,525)	(52,644)	(887,652)
	<u>(137,513)</u>	<u>(551,872)</u>	<u>(52,644)</u>	<u>-</u>
				<u>(742,029)</u>

22 Related parties

During the year, the company accrued interest payable to the following shareholder directors at a rate of 20% per annum:

	2002 £	2001 £
SM Halden	3,013	5,418
CJ Hoddell	2,973	-
MC Johnson	<u>1,655</u>	<u>1,601</u>

At the balance sheet date, the following balances were due to them:

	2002 £	2001 £
Amounts falling due after more than one year:		
SM Halden	(54,531)	(5,517)
CJ Hoddell	(35,466)	-
MC Johnson	<u>(16,317)</u>	<u>(4,720)</u>

Concept Outdoor Worldwide Limited

Notes to the Accounts (continued) for the period ended 30 June 2002

During the period, the company carried out a number of transactions with other Pacific Investments PLC companies. The names of the related parties, nature of these transactions and their total value is shown below:

	Value of transactions 2002 £	Receivable/ (payable) at the year end 2002 £
Transactions with Pacific Investments PLC		
- Guarantee charge	(28,403)	(28,403)
- Office rent	(11,230)	(8,919)
- Accountancy charge	(1,000)	-
- Other	(1,003)	(258)
	<u>(41,636)</u>	<u>(37,580)</u>
Transactions with Ravenstone House Schools Limited		
- Accountancy services	<u>3,027</u>	<u>3,027</u>
Transactions with Model Frontiers (UK) Limited		
- Accountancy services	<u>2,063</u>	<u>1,497</u>

All these transactions were on an arm's length basis.

23 Holding company

The company's ultimate holding company was Pacific Investments PLC, a company registered in England and Wales, which is the largest group of which the company is a member and for which group financial statements are prepared. The consolidated financial statements of that company can be obtained from the Company Secretary at 124 Sloane Street, London, SW1X 9BW.

Subsequent to the year end, Pacific Investments II Limited became the ultimate holding company.

The directors consider the ultimate controlling party to be JL Beckwith, a director and majority shareholder of the ultimate holding company.